

Social Development in Asia: From the Viewpoint of Development Sociology

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1. Introduction

Development refers not only economic development but also social development. In developing countries, to implement economic development, we must also pay attention to social factors. Polanyi says that economy is essentially embedded in society (Polanyi, 1977). This is right in developing countries. However, in the developed countries, society is embedded in economy. If the economic system of developed countries is transferred to developing countries, we confront the difficulty of traditional and indigenous society surrounding the economy. Hence, we have to analyze the society of developing countries. This is the definition of economic development from the viewpoint of social factors.

An economic system reflects its social system, which consists of social groups as natural groups (family and ethnic groups), as functional groups (organizations and states), and regional (geographical) society (villages, cities and national society). In order to carry out economic development successfully, we should recognize the social structure of each country. Not only as an adjunct to economic development, but by itself, social development is very important. That is especially true of villages in Asian developing countries.

Social development consists of the improvement of life-infrastructure, community development, and human development. The improvement of life-infrastructure means to develop human services such as medicine, health and sanitation, and education. Community development refers to changing a traditional community into a modern community by organizing groups and acquiring new behavior. Human

development is the process of awakening people's consciousness in ways that create a sense of empowerment. The process of social development is practically suited to Asian developing countries.

This paper examines economic and social development in Thailand, Sri Lanka and Japan. The discussions of Thailand and Sri Lanka show that development has not been simply agricultural technical development, but human development based on Buddhism. Development through Buddhist ideals is compared to development based on Christian teachings (Weber, 1905). "Development monks" play an important role in poor villages. They teach not only Buddhism, but also improved ways of daily life to villagers by working together with them. In many cases, the first step is human development, the second step community development, and the last the improvement of life-infrastructure. The third case discusses the farm village development based on human development that occurred in 18th and 19th century Japan. It was community development combined with human development. Through this case study, social development will be proved to be important. Also, the balance between economic development and social development is seen to be important.

NGOs (Non Governmental Organizations) have been struggling to promote social development through international cooperation (Korten, 1980: 1990). Success depends on using the natural, social, and human resources indigenous to the country in question. Participatory social development is adopted to implement international cooperation projects not only by NGOs, but by official cooperation agencies as well. Local people's participation makes indigenous development. It can be a "break-water" to globalization. Social development aims at self-controlled development by participation of local people.

This paper shows a new interpretation about social development from the viewpoint of development sociology. It is the purpose of the paper to point out that social development is both the starting point of development, and important in itself.

2. Development of "Society" and Social Development

2.1. Type of "Society"

① Micro-level Society

Sociology analyzes a society. Society is classified into micro-level society and macro-level society theoretically (Figure 1: Levels of Society). Social action requires interacting with others to do something. This micro-level society can be divided into

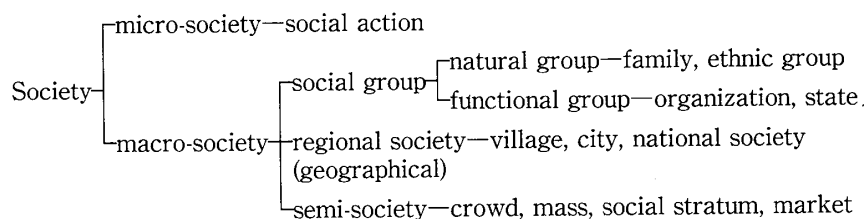


Figure 1: Levels of Society

two types, “expressive action” and “instrumental action.” The former is an action to express one’s feeling. The latter is an action as tool to accomplish something. Social action seems expressive and economic action is instrumental. However, social action is instrumental if it is too much rationalized (overrationalized). In such a case, people tend to act collectively.

Homo Economicus is a human model of economics that sees people as economically rational and calculating in pursuit of maximum individual utility. Economics focuses on economic action. Actual man, however, acts according to several stimuli including economic, political, social and cultural factors. Human bonds and regional relationships are also fundamental factors of economic action. Daily economic action is controlled by social relationships in developing countries. Economic rationality is not always socially rational. Though economic action may not be rational from the Western viewpoint, it may very well be rational from the viewpoint of the Orient.

② Macro-level Society

A macro-level society is characterized by three levels; social groups, regional (geographical) society and semi-society. Social groups refer to family and ethnic groups as natural groups, and organizations and states as functional groups. Regional (geographical) society consists of village, city, and national society. Recently an international society and world (global) society have been emerging. World society is boundless. This view is mainly based on Takata’s classification of society (Takata, 1989). Global society is regarded as single entity in which constituent societies are influenced by each other globally. Semi-society shows crowd and mass, social stratum and market. The market is a locus of society, meaning that the individuals gathering around a market act in a social context.

According to Polanyi, economy is embedded in society (Polanyi, 1977). This means that economy is closely related to society. Society controls the economy. The reverse is also true. Marx’s theme is that there exists a relationship between base

and superstructure, and the economy of the former controls the latter. Society and economy are interrelated (Parsons and Smelser, 1956). An economy should be focused on its social aspects because the economy is influenced by the three societies mentioned above. The characteristics of natural groups control an economy by penetrating the business organizations of functional groups. Family cohesion group has either good or bad influences on business activities in Asian countries. The whole economy originates from the household economy. In primitive society there was no difference between the economical and the non-economical. The ethnic group controlled the economy by indigenous religion and culture as a life style.

③ Relationship Between Economics and Sociology

We have disciplines analyzing the relationship between economy and society. Economic sociology examines economic phenomena focusing on the social aspects from the viewpoint of sociology (Swedberg and Granovetter, 1992; Swedberg, 1993; 1996). Socio-economics examines it using cost-benefit analysis and considering social factors. However, economic sociology analyzes economic action from the viewpoint of maintaining society rather than maximizing individual utility. It studies economic action focusing on social factors surrounding individuals at the micro-level of an economy. These factors include other individuals at the micro-level of society, social groups to which the individuals belong, and regional (geographical) society at the macro-level of society (Table 1: Levels of Sociological Perspective on an Economy). Other people, group affiliation, and regional society influence economic action. As will be discussed later, the meso-level of social life is added to the two layers of analysis.

Table 1: Levels of Sociological Perspective on an Economy

Explanandum Explanans	Micro-economy	Macro-economy
Micro-society	1	2
Meso-society	3	4
Macro-society	5	6

1: Micro-sociological perspective on micro-economy

2: Micro-sociological perspective on macro-economy

3: Meso-sociological perspective on micro-economy

4: Meso-sociological perspective on macro-economy

5: Macro-sociological perspective on micro-economy

6: Macro-sociological perspective on macro-economy

Asian villages relate to the economy through human relationships in social groups. Mutual help can be found in common work. The help usually consists of labor exchange and petty finance. While conducting research in Vietnamese villages in 1977 and 1999, I reconfirmed that a village community was being maintained, though it was changing gradually as a modern economic system was emerging. We can easily understand the greater influence of society on economy in a village community. There, economy is involved in society rather than economy embedded in society. The Japanese economy is controlled by its social characteristic of "groupism," which can be seen as having originated in villages (Onda, 1996). Relational contracts, which are different from legal contracts, often dominate business talks (Dore, 1983). Some businesses are most influenced not by legal contracts, but by relational contracts, which mean human relations are extremely important factors in getting an order. These societies surround the economic market. The market mechanism operates by itself and is self-organized. However, it is influenced by some of the above-mentioned social groups and regional (geographical) society.

If we look at the condition of developing countries, we notice that social aspects should be improved before economic reforms are made. Development sociology aims at this purpose, differing from the approach of development economics (Todaro, 1996). Development sociology as defined in this paper is also different from the sociology of development (Robert, Cushing and Wood, 1995). It solves practical problems of social development.

2.2. Social Development from the Viewpoint of Development Sociology

① Economic Development and Social System

Economic Development is explained by economic factors such as land (natural resources), labor, capital and technology. There are five approaches: the linear developmental stage model used by Rostow; the structural change model applied by Lewis and Chenery; the international dependency theory of Baran; market-oriented new classical theory; and new growth theory (Todaro, 1996). Actually traditional market-oriented theory and the new approach including suitable intervention of government are usually adopted as the economic policy of development. As before, economic development is complex, influenced not only by economic factors, but also social and cultural factors. An economy is both self-organized and complexly influenced at the same time. Focus on the former means that an understanding of economic development can be attained by economic factors only. An economic system is self-organizing based on market mechanisms. In developed countries,

society is embedded in the economy. In many cases, economic development can, indeed, be explained by economic factors only.

However, economics originating in Western Europe is based on western society. This approach therefore cannot be directly applied to the economy of developing countries (Figure 2: The Relationship between an Economic System and a Social System). The social system of developing countries presents obstacles to penetration by the economic system of developed countries. This is the reason why international economic cooperation sometimes fails to assist Asian countries. In developing countries, the economic system is related to the social system and is influenced by social and cultural factors described above. It is not easy to apply Western economic theory of market-oriented mechanisms to the economy of developing countries. The economies of such countries are not self-organizing based on economic factors alone. Instead, it is clear that they function as a part of complex organization and are more embedded in society.

When developed countries help the economies of developing countries, they should consider not only the economic structure, but the indigenous social structure as well. Otherwise assistance will fail. Western economic systems cannot penetrate developing countries directly. In the process of transfer, Western economic systems are changed by the social system and then absorbed into economic systems of developing

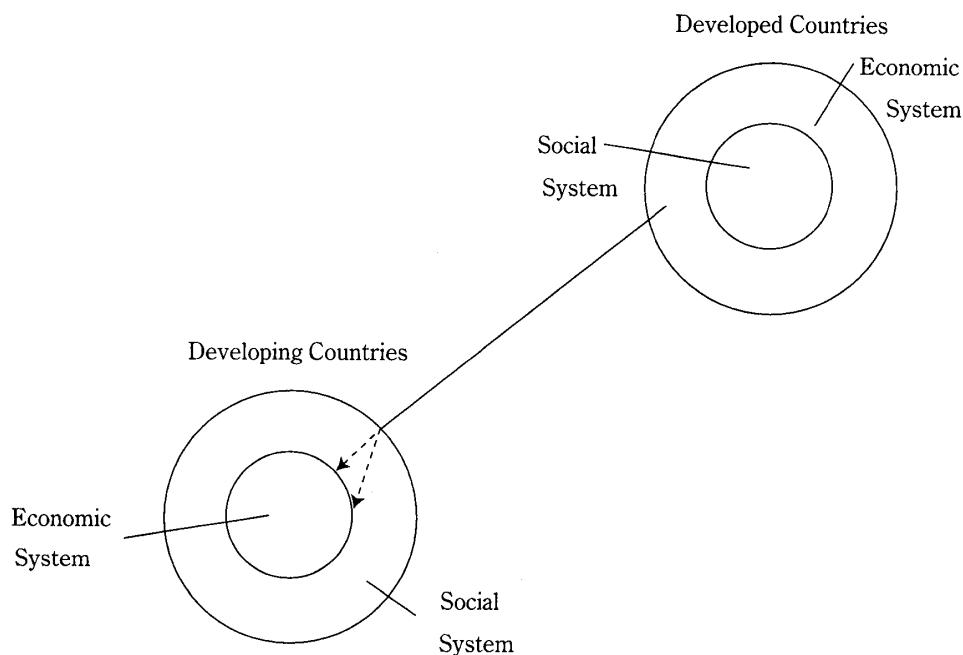


Figure 2: The Relationship between an Economic System and a Social System

countries. Of course these differences do not deny the universal theory of economics, *per se*.

② Importance of Social Development

Social development has been in the spotlight since the World Summit in 1995(UN, 1995). However, social development was advocated in the 1960's(UN, 1961). Before that, community development as the predecessor of social development was introduced by United Nations in 1950's(UN, 1955). In developed countries, social development is introduced to strengthen social welfare in order to remove negative social effects caused by economic development. In developing countries, social development is implemented to arrange social services such as medicine, primary health care and education to promote economic development. Social Development should be emphasized in itself theoretically and practically. It aims at sustainable development for local people and local society. To pursue development is to cultivate potential buds. It is to develop man and nature in the bud and some potential buds into blossoms.

Social development is more important than economic development in developing countries, because social development is the starting point of development and social structures control economic structures. Social development does not mean that traditional social structures must be changed into modern ones. In order to attain economic development, the indigenous social structure can be employed successfully. Indigenous arts and suitable sized technology should be used to get a higher standard of life for local people (Schumacher, 1973). Social development is oriented toward the life of local people and greatly depends on their participation and decision-making. It aims at locality development.

From the viewpoint of development sociology, the three contents of social development are referred to the social levels. The micro-level of society is concerned with human development; the macro-level with community development. Life-infrastructure can be referred to the meso-level of society as an individual or a group life style, being the medium between the micro-level of social action and the macro-level of social groups and regional (geographical) society. Social development has the practical aspect. Development sociology gives the basic theoretical framework to social development from the viewpoint of sociology.

2.3. Definition of Social Development

There have been very few definitions of social development. Strict definition is necessary, so it is defined as follows. As mentioned in the introduction, social

development consists of the improvement of life-infrastructure, community development, and human development. The improvement of life-infrastructure serves to enrich human services such as medicine, health and sanitation, and education. Social development is not the whole development of polity, economy, society, or culture. This improvement of infrastructure for life includes the two dimensions of the attainment of life-standards (standard of living) and the maintenance of life circumstances. The former is the security of “civil or human minimums” necessary to live at the individual level. The latter is the maintenance of “community minimums” to improve life circumstances of local society including the promotion of local traditional industry.

Community development refers to transforming a traditional community into a modern community by organizing social groups and changing behavior in regional (geographical) societies. It encompasses community redevelopment and new development. It means to create a modern community by restructuring and reengineering a traditional community. Community development is carried out in the world (Campfens, 1997). That the fundamental unit of social development is the community has been stressed (MacIver, [1917] 1924). As used here, a community has three characteristics. The first is mutual help by communion of sentiment and fellow feeling based on the natural group as family and ethnic group. The second is mutual work to pursue a common purpose based on the functional group as an organization. The third is solidarity and symbiosis in communal life based on regional (geographical) society, as a village or a city. Communities can be grouped into village communities, city communities and national communities.

This community building consists of community organization or organizing and community empowerment. The former is the building of local society by mobilizing local people. The latter is the improvement of self-reliance, self-help and self-determination of local society by the conscientization of local society (creating community consciousness) and sharing certain norms and values. This community capability is achieved by the acquisition of social power including bargaining power through mutual help and common work, and solidarity and symbiosis. When international aid is complemented, community development is apt to be the means to success of an international project. However, community development is also important in itself.

Human development is the process of changing people’s consciousness in ways that create a sense of empowerment. It serves to awaken local people’s own capabilities. It should empower villagers (Friedmann, 1992). This is the capacity building consist-

ing of conscientization and self-empowerment. The former is the awareness of individuality and social existence. The latter is the improvement of self-reliance, self-help and self-determination (Smiles, 1858). This is also to get confidence building (Freire, 1970), and capabilities and entitlement (Sen, 1982: 1983: 1984: 1985). Human development is the process of humanization acquiring life-skill and social competence. Local people are, in particular, required to engage in social action, namely community action. I would call the community and human developments together “societal development.” The Human Development Index (HDI) is used to research the condition of human development (UNDP, 1994: 1995: 1996: 1997: 1998: 1999: 2000). However, human development is not simply the improvement of medicine, health and sanitation, and education (Haq, 1995). We should take notice of all of the above factors of human development.

3. Case Study of Social Development in Asian Villages

3.1. Social Development by a Buddhist Monk of Thailand

The Thai economy has been suffering because of monetary crisis. In the late 1980's it had grown rapidly after industrialization in 1970's and was labeled as one of NIES (Newly Industrializing Economies). However, rapid growth caused social and economic problems such as income differences between city and village, migrant labor, child labor and an increase in slums (Asian Development Bank, 1997). Beginning in the 1970's there was a new movement for developing villages. This was different from former agricultural development by the trickle-down strategy of the government. The new agricultural development was called an “Alternative Development.” This meant that local people sought neither the model of Western economic development nor the socialist model of economic development, but their own uniquely suited social development.

This spontaneous development based on Buddhism seeks to reconstruct the traditional village community. Its leaders are Buddhist monks. Buddhism can be compared with Protestantism in its control over people's actions. According to Max Weber, modern capitalism originated in the Protestant spirit, especially Puritanism (Weber, 1905). Protestantism justifies human work and, as a result, accepts money-making. The purpose of Buddhism is to relieve people's hearts, like the salvation of Christianity. However, Buddhism is more spiritual in focusing on isolating individuals from all trouble (*Nirvana*). It is indifferent to working in daily life. Some

Buddhist monks are eager to consecrate themselves to the relief of suffering. The doctrine of Buddhism is connected to daily practice in people's lives.

The Buddhist monks are engaged in village development, and solving many problems such as medical, health and sanitation, educational improvement, reconstructing traditional community, and awakening local people (conscientization), and leading them to act by relying on themselves. This development can be called social development rather than economic development. Much alms are collected by the Buddhist monks from Thai villagers. Some monks believe that they owe a debt to these local people and try to repay it by engaging in village development. They have been called "Development Monks" (Wongkul, 1988). They have carried out in practice what they have learned from the teaching of Buddha. They are enlightening villagers to use the popular wisdom of Buddhism law (*Dhamma*).

A typical project that "Development Monks" conducted was "Rice Bank." It is a villagers' cooperative that lends farmers rice gathered by members' contributions, volunteer's donations and a communal rice crop from common land. A "Water Buffalo Bank" by villagers' donations was established to lend farmers water buffalo which farmers are too poor to own. There are also some cooperative shops. Free labor exchange can also be found in these traditional villages. A children's center and a health center are operated by the spirit of mutual help. Local people can learn some skills for sustaining their lives in an industrial training school. Leaders of social reform such as the chief of a village, monks and teachers have been transforming traditional village communities (Phongphit, 1988). We can see strong leadership in this social movement. It is important to organize the communities.

Institutions of social welfare are embedded in a village community where bonds of companionship are united by mercy and heartfelt sharing with each other. This is a "loosely structured society" where no official institutions and organizations are to be found. Bad habits of villagers such as drinking, gambling and vice should be abolished and order of heart must be maintained. The aim of development is not simply a market-oriented economy. Material development should be balanced with intellectual development. Human development is very important here (*ibid.*). This traditional village community's spirit can be adapted to a modern society and life style. Villagers try to change a traditional community to a modern community through self-help and mutual-help. I would call this "adaptable innovation." Development means that they awaken themselves. Potential resources in villages such as land, water, labor and mutual relationships should be used. These activities are based on

Buddhist law.

3.2. Social Development by a Social Movement of Sri Lanka

The economy of Sri Lanka is no more developed than that of Thailand. Per capita GDP of Thailand was US\$5,456, Sri Lanka was US\$2,979, and Japan was US\$23,257 in 1998 (UNDP, 2000). An invisible religious barrier causes racial conflict between the Sinhara and the Tamil. That is one reason why the economy is stagnant. Sri Lanka has many Buddhists like Thailand. This religion controls their lives.

The *Sarvodaya Shramadana* Movement (SSM) of Sri Lanka is famous. *Sarvodaya* means 'awakening of all' because *Sarva* means embracing everything and *Udaya* means awakening. *Shramadana* means sharing of labor or energy because *Shrama* means energy or labor and *Dana* means giving away. So *Sarvodaya Shramadana* means the awakening of everyone through sharing (Ariyaratne, 1985). The main purpose of this movement is to revitalize villages by awakening of local people through sharing their own labor or energy and, today, to expand their capacity to achieve local economic self-reliance.

The leader of this NGO is A.T. Ariyaratne. He was impressed and influenced by Gandhi's philosophy of nonviolence. He started the movement in the mid-1950 when he was a high school teacher in Colombo (Liyanage, 1988). His group decided to translate their convictions into action. He organized *shramadana* camps in which high school students from relatively affluent urban homes gave up their vacations to share local people's time, thoughts and efforts, and to work in the most backward provinces and outcaste villages of Sinhara, Tamil and Muslim people. The members of this movement have devoted themselves to work without regard to religion and race. There are 10,000 out of total of 23,000 villages involved in this movement affecting nearly four million people by 1994.

The concrete activity follows a five-stage development model. The first step is to awaken villagers from a state of ignorance at the level of the individual. To do so, functional leadership and community spirit are introduced and encouraged through *Shramadana* camps. The second step is to find out the needs of villagers and help them work together for themselves at the level of each social group. Functional groups are formed and training programs are carried out according to the needs of mothers, youth, elders and children. The third step is to select the most important and urgent need. Each group prioritizes needs, discusses and launches selected projects. The effect is to improve economic conditions such as increased employment. The forth step is to improve the standard of villager's lives. Income generat-

ing activities are undertaken which help to bring more self-financing to the community as the social programs continue. Continuing the social programs is very important. It means that economic development should be effected through social development. The final step is to maintain self-dependence. Continuing self-financing, surpluses are shared with other communities.

The first aim of The *Sarvodaya Shramadana* Movement (SSM) is to develop people, the second is to develop the village community and the final is to develop the economy. Economic development is conducted through social development that includes human development and community development. Human development means to awaken the individual, the family and the community. Community development means to organize villagers. The economic development goal is to create local people's suitable sized economy. Such a society is not too poor and not too rich. According to Buddhism, this thought is very important for us to live a true happy life.

3.3. Social Development of Japanese Experienced Farmers ("*Rounou*") in the 18th and 19th Centuries

① Japanese experienced farmers ("*Rounou*") in the 18th and 19th centuries

As each society has indigenous social characteristics, Japan has two major principles of society. One is that of the *IE* (family) Group and the other is that of *MURA* (village) Society (Onda, 1996). The principle of *IE* (family) Group reflects the vertical nature of family relationships. It means that the social group is controlled by the human bonds which are seen in the relationship between parent and child. Even some contemporary Japanese companies have just as closed relationships as in a family.

The principle of *MURA* (village) Society refers to human relationships that are controlled by relationship of area. It is based on mutual help and, the identification and solidarity of living in the same place as a closed relationship of sentiment. This principle describes horizontal relationships as a village (Table 2: The Principle of *IE* (family) Group and *MURA* (village) Society in Japan).

Japan closed its doors to Westerners in the Edo period. This is one of the reasons why Japan is said to be a closed society. However, some reforms could be seen in the society. There were social reformers in the 18th and 19th centuries (Uchimura, [1908] 1995). They encouraged farmers to work and to make a spiritual life. The reformers had the characters of diligence, sincerity, and enthusiasm. They were called "*Rounou*" (the Japanese word) who was a practical farmer and reformer.

Uesugi Yozan, for example, was the head of the Yonezawa Clan. He persuaded farmers to organize local people into work units of five or ten households. This

Table 2: The Principle of *IE* (family) group and *MURA* (village) Society in Japan

Principle of society	IE (family) group	MURA (village) society
Type of society	social group (natural group)	regional (geographical) society (village)
Social relation	vertical relationship (parent to children)	horizontal relationship (<i>kumi</i> : small group for work unit)
Social association	consanguineous relationship	territorial association
Characteristics	identification (transaction of feeling) socialization	mutual help solidarity social symbiosis
Positive aspect	strong group cohesiveness (cohesion)	fellow feeling
Negative aspect	paternalism family concept of the state	ostracism(<i>mura hachibu</i>) social exclusion (bullying, <i>ijime</i>)

group was a unit of the whole rural life for mutual help and sharing work. He was the so-called parent of all the local people in the entire clan. He developed villages by social and moral reform according to the Confucian principle of “People’s happiness is that of lord.” He encouraged abiding by his order that five households should share feelings as one family, help old men without relatives, the disabled, people in disaster, obey moral standards, and not to allow luxury (1).

Ninomiya Sontoku was also a social reformer and practical campaigner. “Sontoku” means that he was a man of high virtue. He was engaged in developing new farmland with local people. He persuaded farmers to make a spiritual life of Buddhism the same as the “development monks” of Thailand. Self-help through diligence and sincerity was particularly emphasized. Wasteland should be developed by itself. These activities were based on moral principles.

Human development is important for rural development. The social mores of *IE* (family) Group and *MURA* (village) Society were evident in those activities, including devotion of parents to children and filial obedience as a closed relationship of sentiment, and the mutual help controlled by human relationship of area. Confucianism was referred to Japanese economic activities in Tokugawa period (Bellah, 1957). However, it was related with Japanese indigenous social structure.

② Japanese Economy Influenced by Indigenous Social Principles

The Japanese economy has grown rapidly since the end of World War II. Eco-

conomic theory alone explains Japanese economic development as resulting from a high rate of savings, investment by private companies and such institutional factors of support as government, high technology and high literacy. Social factors are ignored. The two sets of mores, *IE* and *MURA* that still dominated Japanese society contributed enormously to Japanese economic development following the end of Pacific War. Of course “groupism,” which consists of both principles acting in concert, existed before this period. However, after the end of World War II the Japanese worked hard at adopting western basic science and applying it to Japanese technology. They applied their social system to a Western economic system and made a peculiarly Japanese economic system. It can be seen in the Japanese management style (Abegglen, 1958; Dore, 1973).

As mentioned, Japan has two major principles of the *IE* (family) Group and the *MURA* (village) Society. Some Japanese companies have just as closed relationships as in a family. The president of a Japanese company acts like a parent, and officially and privately protects employees in exchange for loyalty to their company. This is the *Pietät* (M. Weber) meaning devotion to parents and filial obedience as a closed relationship of sentiment. Japanese companies engender a strong sense of belonging (familism). Yamaichi, which was one of the four big security companies in Japan, went out of business in 1997. This was experienced as the breakdown of a family. Bosses felt obligated to seek new jobs for subordinates. However, this strong group cohesiveness (cohesion) is seemed to become paternalism.

On the principle of *MURA* (village) Society, a Japanese company is like a village, featuring egalitarianism and mutual aid. Each branch of the company is a family. Together the branches comprise the company as a village. The lives of all employees are supported by mutual aid in a company. It is the company's union that protects them. In turn, each company acts as a family comprising a still larger village of subsidiary companies. Business is restricted to members of this subsidiary group in many cases. This is a relational contract by regional bonds, the same as friends from same village. A single industry consists of rival companies. Egalitarianism by identification and solidarity in the company as *MURA* (village) have contributed greatly to motivate Japanese businessmen to work hard. The principle of *MURA* (village) Society has aspects of both equality and competition. While equality can be seen inside each village in the guise of mutual aid, competition dominates between villages. Each branch races against other branches in the same company where all employees are also supported by mutual aid.

Moreover, each company acts in the interests of its entire industry to exclude outsider's entry and divide contracts according to priority (going into a huddle, the Japanese word "*dangou*"). The negative aspect of this system refers to the practice of established businessmen in the same industry acting together to protect each other's profits by excluding outsiders from the market. Each company races against other companies in the same industry where all companies are also supported by mutual aid. This human network works against market mechanisms. Now Japan is changing its management style of lifetime (permanent) employment, the seniority system and company unions because the Japanese social system is being confronted by the globalization of economic systems. Japan seeks a new social system as self-organization according to the change of outside circumstance of globalization. However, two principles seem to continue dominating Japanese activities as a basic social structure.

4. Social Development by International Cooperation

4.1. Participatory Social Development

① Participatory Development

The importance of implementing social development is that local people develop confidence and self-reliance. In the case of international cooperation, external assistance should play the role of a facilitator to encourage farmers to do by themselves and for themselves. This is the reason why participatory development is introduced in the project of international cooperation. People's participation is necessary to carry out social development. Because it aims to reform social structure and attain self-controlled development. It is not reform from above, but from below. This is not a "blueprint approach" by economic development (Korten, 1980). People's participatory program (PPP) is the fundamental strategy for an international cooperation project (Chambers, 1987: [1985] 1991; Srinivasan, 1990; Rietbergen-McCracken and Narayan, 1998). We must change the old top-down way of international assistance.

Participating planning, doing and seeing make local people have confident in their abilities. This is the development of the people, by the people, for the people. People's movements and residents' participation in home rule are active in developed countries. They are the process of self-awaking for local people in developing countries. It is not economic development, but social development, that makes such

movements more likely. Participatory planning, doing and estimating of development projects can be seen, in particular, in the area of social development.

Local participation takes two forms (Oakley, 1991; Mikkelsen, 1995). One is “instrumental participation,” introduced to implement a project of international cooperation. The other is “transformational participation,” in which local people create sustainable community development through self-reliance and self-help. This is not the participation as contribution, but the participation as organization and empowerment. NGO’s activities aim to attain self-controlled development by “transformational participation” (Oxfam, 1995). Their role is group promoter, catalyst and advocate (Chowdhury, 1989; Korten, 1990). The process is one of self-learning by local people.

② Method of Participatory Development

Small groups are important for participatory development. A small group is a unit that can foster better interaction of members communicating with each other face-to-face by acknowledging individuals. Each member is responsible to other members. Small groups strengthen member’s participation through motivation, group’s cohesion, and effectiveness. Villagers’ morale grows (2).

In developing countries there are informal groups such as village elders. It is necessary to use them to organize a community. However, we should pay enough attention not to keep their informal power over local people. A group is effective for solving problems in cases when they cannot deal with by individuals. Group cohesion contributes to solving some problems in villages. This results in solidarity among villagers and an increased sense of capability for the community as a whole.

As before, participation refers to plan (planning), do (implementation), and see (evaluation). PCM (project Cycle Management) is one tool to assist management of international cooperation projects developed in Japan (FASID, 1997). This method comprises Participatory Planning (PP) and Monitoring and Evaluation (M & E) by means of a project format termed the Project Design Matrix (PDM). Participatory Planning (PP) has four analytical steps; Participation Analysis, Problem Analysis, Objective Analysis, and Project Selection. Participation Analysis identifies the conditions and characteristics of local residents, groups, and organizations likely to be affected by the aid project and determines whose problems should be solved. Local people are required to participate in workshops to address their opinions. A target group is selected among beneficiary groups through a process of considering which group’s interests should be accorded highest priority. It is the principle group for

which a positive change is intended by implementing a project.

Before implementing social development, we should consider social structure through social analysis (Cernea, 1991; Overseas Development Administration, 1995). The people of a particular area may have different interests and problems depending on the organization, societies, or social classes to which they belong. Several groups with conflicting interests may exist within a community, and some groups may even oppose development. It is important to determine the interests, conflicts, interdependencies and social relationships that may exist among these groups. Furthermore even within a group, men and women can have different problems (Illich, [1982] 1983; Moser, 1993). Local people who have different political, economic, social, cultural and religious backgrounds should be fully identified through social analysis.

There are several methods to conduct social analysis such as RRA (Rapid Rural Appraisal) and PRA (Participatory Rural Appraisal). International organizations including the World Bank have adopted RAM (Rapid Appraisal Methods) (Cernea, 1992; 1996). Social Assessment (SA) and Gender Analysis (GA) are other tools for social analysis (Kumar, 1993; Asian Development Bank, 1994; Mikkelsen, 1995; World Bank, 1996). These methods clarify people's needs and social dimensions of development such as social organization and social class. These analyses are implemented by participation of local people through hearings and interviews.

4.2. Balanced Economic Development and Social Development

① Homo Economicus versus Homo Sociologicus

Homo Economicus acts economically rational and calculates in pursuit of maximum individual utility. Homo Sociologicus is the human model of social action that is other people-oriented or group-oriented. It acts socially rational even though social action is economically irrational. However, Homo Economicus seems to control our lives as economic systems have strong power over us.

I would like to introduce a new human model. The model of Homo Vivificus is neither wholly individual-oriented nor wholly group-oriented (Onda, 1997). It is life-oriented to create a civil society. Civil life should be recovered. This model has one aspect of Homo Sociologicus and is not as mercenary and calculating as Homo Economicus. Human beings are strongly influenced by societies to which they belong. These influences control their activities. We should acknowledge universal economic human features and their variations according to each society. Life is different in every society, in both its economic and non-economic factors.

② Economic Development through Social Development

I have argued above that in developing countries, social development is indispensable for economic development. The three cases of Thailand, Sri Lanka and Japan show that social factors do contribute to economic development. In fact, social development is the prerequisite for economic development. Economic development depends on the structure of each society. Social structures of family, ethnic groups and organizations influence and control economic activities. Every person consumes and produces according to an economic rationality. However, the outcome of economic rationality differs from society to society. This is economic action as social action. This economic action, which seems irrational to foreigners from developed countries, is rational for local people of developing countries. Their economies are more controlled by society than those of developed countries. Economic action is adapted to an indigenous community or local religion.

Now Japan is the top donor of assistance to developing countries. The Japanese government has undertaken both monetary and technical cooperation. However, most projects take the form of economic assistance. We should recognize the importance of economic development through social development. New economic action emerges adapted to current social action when modern technology and knowledge are transferred from developed countries to developing countries. Not only traditional economic action, but also traditional social action is changed in the process. Economic development through social development means considering the social conditions of each country and making the most of local indigenous social resources.

③ Social Development through Economic Development

This paper does not insist that economic development is unnecessary. It is very important to overcome poverty in developing countries. Unless villagers can maintain a minimum standard of living, they cannot exercise their abilities. Economic development should not be industry-oriented, but people-oriented enriching local people's lives. By doing so, villagers can organize or reorganize social conditions and have more opportunity to make the most of their capabilities. Economic development requires creating a suitably sized and adequate technological base for local people using local resources and improving their lives (Schumacher, 1973). These activities combine to make a rich social life in which people live with mutual confidence and social justice. This is social development through economic development.

A large industry is necessary at one time, however, at another time it may not be necessary. Industry should be adaptable to the life of local people. Suitably sized industry makes the most of traditional arts and crafts that local people have learned

and inherited from their forefathers. It also suits their natural resources. Sustainable development can be achieved by a good relationship between the environment and the local people. We cannot get sustainable development merely through economic growth, prudent environmental management, and the accumulation of technological prowess. According to Cernea, “sustainability requires the continuous creation and re-creation of adequate patterns of social organization within which technological progress can be unfold properly, the use of resources can be managed soundly, and the social actors of development can participate both individually and collectively, sharing in the formation of goals and benefits of development” (Cernea, 1993, p.19). Economic development is the prerequisite for our lives. However, it is not a sufficient condition.

4.3. Indigenous Development and Globalization

Globalization can be seen throughout the world. This tendency must become stronger in the future. We must recognize both dimensions of Globalization. One is its positive aspect. It is good for developing countries to become modernized. We can enjoy a common convenient life through globalization. The other is the negative aspect that diminishes each characteristic of developing countries being driven to westernize by developed countries. It is also the marginalization of excluding the minority. Islamic countries act against American life style (Huntington, 1996). Globalization should not be an obstacle to indigenous development

Indigenous development is self-controlled development. Local people implement it as localization. Indigenous social systems act as a “breakwater” against the negative aspects of globalization imposed by developed countries. We can oppose the global system (Reich, 1995). “Glocalization” aims to balance both aspects of globalization and localization. It means that we will be “global citizens.” We are both “citizens of a world city” who obey the worldwide rule of democracy and solve global problems of protecting the environment and “villagers of global village” who respect our own village’s rules and protect indigenous society and culture. “Global citizens” think globally and act locally.

5. Conclusion

Globalization can be seen not only in economic systems, but in social systems as well. However, the former tends to become more influential than the latter. A “mixture of both global and local factors” influences economic development. Social

systems are based on locality and are made through social structures of natural groups such as family and ethnic groups, and through regional (geographical) societies such as villages and cities. The less developed a country is, the more its economic system is controlled by its social system. In other words, the social system determines economic development.

Economic development and social development should function in cooperation like two wheels. One of them is not enough by itself. Economic development and social development are better when they happen in tandem, cooperating and supplementing each other. Balanced economic development and social development is very important. Social development can be a starting point of development in developing countries. This is easily seen in the cases of present day Thailand and Sri Lanka. When Life-infrastructure, community development and human development are carried out as a trinity, social development can be most effective. In particular, human development is the starting point of social development. Furthermore, it should be noted that social development plays an important role in keeping the balance of economic development in developed countries.

Notes

- (1) The *Grameen* (villager, village) bank in Bangladesh, from which farmers can borrow some money without security, also have 16 articles as a charter of life improvement (Chowdhury, 1989; Rahman, 1996).
- (2) *Grameen* bank is based on these small groups (Yunus and Jolis, 1997). NGOs have also used small groups of women for literacy education.

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- * 本論文は、Society for the Advancement of Socio-Economics (SASE) の1998年に開催された10th International Conference (Vienna, Austria) での報告を基に加筆修正し、2000(平成12)年度の日本学術振興会科学研究費による助成を受けて発展させた研究成果の一部である。